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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## FINAL SETTLEMENT MADE FOR NINETEEN TWENTY-TWO COTTON

Sales of cotton this season by the Staple Cotton Association, Greenwood, Miss., amounted to 20,159 bales on October 15, as compared with 10,969 bales for the same period last year. Preliminary advances on cotton are amounting to about \$250,000 a day. Up to October 12 the sum of \$3,527,746 had been distributed to members.

Final settlement for last year's business was made on October 5. The total number of bales handled was 168,735; the amount received from sales was \$24,943,174; and the average price per pound for the year was 29.20 cents. Deductions for overhead and selling expenses were 1.25%, as compared with 1.50% the year before. As a deduction of 3% was authorized for expenses, a refund of 1.75% was made to members at the time of final settlement. This amounted to \$421,985 and was in addition to the final payment.

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## CHANGE IN OWNERSHIP OF MINNESOTA GRAIN COMPANY

After having been in business about one year the U. S. Grain Growers' Sales Company of Minneapolis has become the property of the Montana Wheat Growers' Association and the Minnesota Wheat Growers' Cooperative Marketing Association, these state associations having purchased the capital stock of the sales company. The company was organized early in the fall of 1922 and was incorporated under the laws of Minnesota with a capital stock of \$25,000 fully paid up, the greater part of the capital stock being taken by the farm bureau federations of Minnesota and Iowa. The application of the company for a seat on the Minneapolis Chamber of Commerce was approved on October 10 and the following day the company began functioning.

Under the new ownership the company will be operated as a selling agency for the handling of coarse grains on a consignment basis.

The present officers are: President, William J. Brown, president of the American Wheat Growers' Association; Vice-president, C. W. Croes, manager of the South Dakota Wheat Growers' Association; Treasurer, C. M. Strawman, manager of the Montana Wheat Growers' Association; Secretary and Manager, T. H. Hagen, a Minnesota farmer who has had 25 years' experience in the grain business in Minneapolis and Duluth.

ADJUSTING PRODUCTION TO DEMAND

For two years the management of the Empire State Potato Growers' Cooperative Association, Inc., Rochester, N. Y., has been advising the association membership in regard to acreage to be planted to potatoes and cabbage. In the spring of 1922 data obtained from a survey of prospective plantings indicated that the increase in potato acreage would be 14.4% over that of the preceding year, and that the increase in acreage devoted to cabbage would be 35.8%. Immediately circulars were mailed to members of the association calling their attention to the possible consequences of an increased acreage, with the result that the actual increase was much smaller than the promised increase. The following excerpt from the circular of 1922 is a sample of the kind of arguments used with the growers:

"If we should actually plant 14.4% more acres of potatoes this season than last and should get the same yields per acre as last year, the crop for this state would be almost as large as that big crop we had in 1920, when many bushels never found a market."

In dealing with the prospective increase in cabbage acreage in 1923 the following arguments were used:

"The cabbage situation is alarming. Three hundred cabbage growers in this state expect to increase their acreage 31% over that of last year. The New York State acreage last year was larger than usual..... The yield was better than average..... Apparently cabbage growers of this state are not discouraged over last year's low prices, but are ready to gamble on an increased acreage of 31% over the large acreage of 1922."

Not only were circular letters sent to the members of the association, but farm and other papers were supplied with the facts regarding the outlook and the probable consequences in case there was not a reduction in the number of acres it was proposed to plant.

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ILLINOIS FRUIT EXCHANGE HANDLES EARLY POTATOES

Early potatoes were handled this year for the first time in any quantity by the Illinois Fruit Exchange, Centralia, Ill. Sixty cars were shipped, the greater part going to Ohio, Indiana and Illinois. Prices received for Early Ohios ranged from \$1.65 to \$1.90 per hundred, f.o.b., and for Irish Cobblers from \$1.90 to \$2.40. The quality was superior and the shipments carefully graded. These prices were from 25¢ to 75¢ higher than local wholesale prices at time of shipments.

This organization made up of 19 local associations operated for the first time in 1922 when it handled over 1,000 cars of produce.

COOPERATIVE FRUIT SALES NEARLY TWO HUNDRED MILLION

Six hundred sixty-seven farmers' business organizations from which the U. S. Department of Agriculture has received reports, sold 100,519 cars of fruit valued at \$183,388,970 during the season of 1922. Over 39% of total sales were by the associations marketing citrus fruit; over 19% by an association selling raisins; and over 6% by the associations selling apples.

The number of associations handling the different commodities, the number of cars of each commodity handled, the total amount of the sales, and the percentage which each group was of the total, are given below:

Kind of Fruit	: Number of Assns.:	Number of Cars :	Value	: Per Cent
Citrus Fruits	: 323	: 43,520	: \$71,690,377	: 39.1
Raisins	: 1	: 6,200	: 35,419,724	: 19.3
Apples	: 130	: 12,646	: 11,095,801	: 6.1
Grapes	: 44	: 9,670	: 7,289,130	: 3.9
Strawberries	: 95	: 5,283	: 5,552,988	: 3.1
Peaches	: 38	: 4,670	: 5,128,598	: 2.8
Cranberries	: 4	: 1,660	: 3,856,510	: 2.1
Pears	: 32	: 3,150	: 3,450,000	: 1.9
Misc. Fruit*	: --	: 13,720	: 39,905,842	: 21.7
Total	: 667	: 100,519	\$183,388,970	: 100.0

\*Miscellaneous fruit includes apricots, blackberries, cherries, currants, figs, olives, pineapples, plums, prunes, quinces, and all fruit where kind was not specified.

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REDUCED FREIGHT RATES FOR TRANSCONTINENTAL CITRUS SHIPMENTS

The traffic department of the California Fruit Growers' Exchange has taken a prominent part in securing a reduction in transcontinental freight rates on citrus fruit, which has been granted by the transcontinental freight committee with the concurrence of a number of eastern and southern railroads. The new rate on a minimum carload of 36,000 pounds will be \$1.55 per hundred pounds, instead of \$1.73 as heretofore. Shipments of citrus fruit from California now total over 60,000 cars annually and the freight bill amounts to about \$35,000,000. It is estimated that the reduced rate will result in a saving of about \$3,500,000 to the growers. The minimum load will be 462 boxes to a car instead of the present number of 343.

CHANGE IN POOLING PLANS DECIDED BY ARIZONA CITRUS GROWERS

A seasonal pool for each different variety of fruit was unanimously decided upon at a recent meeting of the Arizona Citrus Growers' Association, Phoenix, Ariz., instead of monthly pools as heretofore. Under the monthly plan fruit was delivered slowly during the first week or two then toward the end of the month it was rushed in more rapidly than it could be handled to advantage. It is believed that the seasonal pools will result in more even deliveries throughout the season. Another result expected is that the fruit will be picked only when it is ripe instead of being gathered prematurely to be included in an early pool.

An exception to the seasonal pools will be made in regard to Clayson grapefruit, an early variety which is difficult to sell after the seedless grapefruit is on the market. The plans provide that the first pool for Claysons shall close when the picking of seedless varieties begins, and any remaining Claysons will form a second pool running through the season. The first Claysons were picked September 26 and sold for \$3 a box f. o. b. Phoenix.

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ASSOCIATION REPORTS HIGH PRICES FOR PEACHES

The average price for No. 1 Elberta peaches sold by the Illinois Fruit Exchange this season was \$3.20 per bushel, according to an announcement by exchange officials. No. 1 Hales averaged \$3.27-1/2 per bushel, and No. 2 Hales, \$2.19. Officials of the exchange estimate that these prices exceeded, from 25¢ to 50¢ per bushel, those received by unorganized growers, and it is stated that the prices received by the exchange are higher than those reported from any other organization handling any quantity of peaches in the United States. The principal reason for the higher prices was that a uniform pack was maintained and care taken in distributing and selling the crop.

Sixty carloads of potatoes sold by the exchange, shipped by growers in Bellville, Mascoutah and Quincy, netted from 25¢ to 75¢ per hundred pounds more than local wholesale prices. This is the first year that the exchange has marketed any large quantity of potatoes.

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BRITISH AND RUSSIAN COOPERATIVES INTERESTED IN GRAIN EXPORT COMPANY

An Associated Press dispatch from London states that an agreement was signed in London, October 17, for the formation of a Russo-British grain-export company. On the Russian side the organization is made up of representatives of the cooperative societies and the government. The British interests involved are the Cooperative Wholesale Society and grain and shipping firms. The purpose is to finance exports of Russian grain to Europe, generally, it is understood.

TWENTY-EIGHT CREAMERIES IN SASKATCHEWAN ASSOCIATION

Twenty-eight creameries are now included in the membership of the Saskatchewan Cooperative Creameries, Limited, Regina, Sask. The company has established seven public cold-storage plants, six large ice-cream plants, and furnishes milk to about 75% of the homes in Regina.

The act of incorporation of the company was approved March 10, 1917. In November of that year there were in the organization twenty creameries whose land, buildings and equipment were appraised at \$89,049. Assets at that time included reserve fund of \$12,959, "accumulated during the operation of the creameries by the Department of Agriculture."

The authorized capital stock has been increased from \$500,000 to \$1,000,000, about \$800,000 of which has been subscribed. The stockholders, numbering between 4,000 and 5,000, are largely farmers, but some stock is owned by business and professional men. Each member has one vote and stock dividends are limited to 10%. Some of the creameries are comparatively small but it is expected that the output of butter this year will be around 5,000,000 pounds.

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ILLINOIS COOPERATIVE REORGANIZES UNDER COOPERATIVE ACT

The Vita-Gold Dairy Products Company, Freeport, Ill., was incorporated on September 17 under the provisions of the new Illinois cooperative marketing act. This company will take over many of the activities of the Stephenson County Cooperative Marketing Company which was organized April 1, 1921, and has grown until it has a membership of 800. The old company will be re-financed as a holding company to hold title to the physical property. Additional capital stock will be issued as the old company was under capitalized, the value of buildings and equipment exceeding the amount of capital stock by nearly \$30,000. The new, or membership association will enter into a contract with the old association whereby the latter will handle and prepare the milk for market. Butter will be sold as heretofore under the "Vita-Gold" brand. A campaign for membership in the Vita-Gold Products Company has been begun.

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LIVE STOCK FROM FIVE STATES RECEIVED BY KANSAS CITY COOPERATIVE

Two hundred twenty-four carloads of livestock were received during the week ending October 12 by the Producers' Commission Association, Kansas City, Mo. Of this number Missouri and Oklahoma each sent 49 cars; Texas, 14; Kansas, 10; and Colorado, 2. Driven-in stock handled amounted to about 9 carloads, and the stocker and feeder department bought 27 cars of feederstock to be sent to the country.

### LONGEVITY OF TWO TYPES OF MARKETING ASSOCIATIONS

Figures collected by the United States Department of Agriculture indicate that the average age of the farmers' business organizations handling dairy products is greater than that of the associations handling fruits and vegetables.

Reports from 906 dairy marketing associations which have been functioning from 1 to 60 years show an average age of 14.5 years, while reports from 335 organizations marketing fruits and vegetables show an average age of but 10.1 years.

Of the dairy marketing associations reporting, 83.9% had been in business five or more years; 58.2%, ten or more years; 19.9%, twenty-five or more years; while but 68% of the fruit and vegetable associations had been operating five years or more; but 42%, ten or more years; and but 8.3%, twenty-five or more years.

The percentages for the several groups are as follows:

Years	<u>Dairy Marketing Assns.</u>			<u>Fruit and Vegetable Assns.</u>		
	Per Cent			Per Cent		
	Number	of Total		Number	of Total	
1 or more	906	100.0	:	335	100.0	:
5 " "	761	83.9	:	229	68.3	:
10 " "	538	58.2	:	141	42.0	:
15 " "	378	41.7	:	80	23.8	:
20 " "	270	29.7	:	51	14.5	:
25 " "	181	19.9	:	28	8.3	:
30 " "	81	8.9	:	11	3.2	:

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### ADVERTISING APRICOTS IN NINE MIDDLE WEST FARMING DISTRICTS

Three special advertising campaigns are being carried on by the California Prune and Apricot Growers' Association, San Jose, Calif. One of these is being conducted in New York, one in San Francisco, and one in nine farming districts of the Middle West. The New York campaign is directed toward the development of an increased demand for prunes in that city; the San Francisco campaign is in behalf of prunes in cartons; and the drive in the farming districts is for the purpose of stimulating the demand for apricots. A nation-wide advertising campaign will start shortly in magazines and periodicals with a total circulation of 3,350,000.

According to a report from the manufacturing department of the association, the 1923 apricot crop, consisting of 24,297,000 pounds, has been delivered to the drying and packing plants. Approximately 90% of the 1923 prune crop, totaling about 150,000,000 pounds, has been delivered. The first order for a carload of apricots for a single buyer was received by the association last month.

SAVINGS OF ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS REPORTED

During the first six months of 1922 the selling agencies of the National Live Stock Producers' Association handled 27,017 cars of livestock as against 3,932 cars for the first six months of 1922. The livestock handled in 1923 was sold for \$37,795,000 as compared with \$5,908,000 for the same period in the preceding year. These figures indicate the rapidity with which the association has developed. Its first selling agency was opened in East St. Louis, January 2, 1922. Six months later there were four selling agencies functioning. By the end of 1922 agencies were established in seven markets; by July of 1923, sales were being made in eleven markets; and today twelve selling agencies are in active operation in the following markets; Buffalo, N. Y.; Chicago, Ill.; Cleveland, Ohio; East St. Louis, Ill.; Evansville, Ind.; Fort Worth, Tex.; Indianapolis, Ind.; Kansas City, Mo.; Oklahoma City, Okla.; Peoria, Ill.; Sioux City, Iowa; and Sioux Falls, S. Dak.

It is estimated by the president of the national association that the refunds to members during the 21 months that the association has been functioning, have amounted to \$175,000, a saving to the producer shippers of approximately \$5 a car. Officials of the association state that the producers' agencies handle approximately 10% of the total business in the twelve markets in which they are established.

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FRUIT ASSOCIATION HAS NEW PLANT

A new packing house costing \$32,000 was recently completed for the Lemon Grove Fruit Growers' Association, Lemon Grove, Calif. This association controls 600 acres of citrus fruit of which 90% is lemons. Its annual shipments average about 175 cars of lemons, 25 cars of oranges and a small quantity of grapefruit. The new building is 103 by 127 feet, constructed of hollow tile and steel, with a 12-ft. basement giving ample storage room. The equipment includes elevators, conveyors, box-making machinery, and other labor saving devices. A camp and boarding house is maintained by the company to accommodate pickers who come to Lemon Grove during the rush season.

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DISPLAY OF JUICE EXTRACTOR INCREASES SALES OF ORANGES

A display of a Sunkist Electric Fruit Juice Extractor in a prominent corner window in New York City resulted in an increased business in fresh orangeade in that store. Previous to the display the store had used a little more than one box of oranges a week. The first day the extractor was on exhibition one and one-half boxes were used, and during the first week eight boxes of oranges and one and one-half boxes of lemons were consumed.

MONTHLY SHIPMENTS OF LIVESTOCK REPORTED

During the month of September 47,445 animals were sent to market by the shipping associations making up the membership of the Ohio Live Stock Shipping Association, Columbus, Ohio. These animals came from 4,810 shippers in 47 counties. The total weight of the animals was 8,753,165 pounds, and the expense of handling was 70.1¢ per hundred. The net amount received for the stock was \$746,413.87.

Shipments by months since the beginning of the fiscal year, as reported by the Ohio Farm Bureau Federation in cooperation with the Ohio Live Stock Shippers' Association, are as follows:

	Hogs	Cattle	Calves	Sheep	Total Expense.
					Per Cwt.
					(Cents)
April	50,459	2,466	5,012	21,173	69.9
May	58,264	2,067	6,000	9,908	69.4
June	52,069	1,735	4,927	7,532	69.1
July	35,708	2,169	4,043	5,701	67.9
August	27,284	1,155	3,191	7,344	70.7
September	34,391	1,573	2,764	8,717	70.1
Total	258,175	11,165	25,937	60,375	

The total number of animals sold was 355,652. Cleveland and Pittsburgh received a large proportion of the shipments, other destinations were Buffalo, Erie and Toledo.

The numbers of animals shipped during the fiscal years ending March 31, 1922, and March 31, 1923, were as follows:

	Hogs	Cattle	Calves	Sheep	Total
1921-22	382,450	21,556	22,853	99,940	526,799
1922-23	607,059	24,053	48,159	134,277	813,548

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OCTOBER MILK PRICE FIXED BY ASSOCIATION

A price of \$2.95 per 100 pounds of milk, plus a service charge of 30¢, has been obtained for the October milk of its members by the Cooperative Pure Milk Association, Cincinnati, Ohio. This is an increase of 55¢ over the price on July 15 when the association made its first contracts with the large dealers.

On September 15 the association opened a new plant at Hamilton which is designed to be the major operating station for the manufacture of condensed milk, butter and ice cream. This plant is equipped with ample refrigeration and can handle milk in carlots if necessary.

The membership of the association has increased to 2,950 and the number of cows represented is now more than 20,000.

ENGLISH SOCIETIES MARKET EGGS COOPERATIVELY

Cooperative egg marketing is carried on to a considerable extent by several English societies, according to a report from the office of the American Consulate General, London, dated August 24, 1923. The largest society, the Framlingham and Eastern Counties Cooperative Egg and Poultry Society, Limited, has over 5,000 members and handled more than 22,000,000 eggs in 1922. In addition to paying members the market price for eggs, the society, since it began operations in 1909, has returned the sum of £22,587 to its members in dividends. A substantial reserve has been built up, and large reinforced concrete tanks with a capacity of 2,500,000 eggs have been constructed for preserving eggs.

The society buys eggs outright from its members, sending motor trucks and wagons to every cottage and farmhouse at least once a week. Local depots have been established where the eggs are tested, graded and packed for shipment. About 75% of the eggs are sold to retail customers and the remainder disposed of at wholesale. The charge to members at present is 3-1/2d. per dozen, of which about 1/2d. is returnable in the form of a bonus.

During 1922 the society was able to pay 6% on capital stock, 10% bonus on salaries and wages to employees, and a bonus of 6d. on £1 to members on produce.

Another society is the Stamford and District Cooperative Egg and Poultry Society, Limited, which is capable of handling about 1,500,000 eggs a year. This society also collects direct from the farms, purchasing outright, and after testing, grading and packing, it delivers the eggs to retail shops in Leicester and Nottingham, some 40 miles distant. A retail shop owned by the society in Stamford handles from 3,000 to 5,000 dozen each week. By this system of collection and direct delivery the actual cost of handling amounts to only 2-1/3d. per dozen for the year. The share capital of the society is £460 in shares with a par value of 4s:6d.

A very modest society at Wye in Kent has opened receiving stations in a number of private houses and eggs are brought to these stations by the producers on Monday evenings and collected on the following day by the buyer who leaves empty boxes for the following week's supply. One penny per dozen is deducted from the market price to cover working expenses.

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ONTARIO FARMERS' HONEY-MARKETING ASSOCIATION

The Ontario Honey Producers' Cooperative, Ltd., Toronto, Ont., which has just been organized to sell honey and buy aparian supplies, starts with 434 members, all of whom are farmers. Capital stock to the amount of \$796 has been issued, upon which limited dividends will be paid. Provision has been made for patronage dividends to members. Honey is to be marketed under the trade name of "Beekist Honey."

ANALYSIS MADE OF BUSINESS OF TWENTY-TWO ELEVATORS

That many farmers' elevators handle more merchandise than grain is revealed by an analysis of the business of 22 such elevators prepared from the annual audit reports of the auditing department of the Ohio Farm Bureau Federation. The figures show that the sales of grain for the 22 companies averaged \$37,351, while the sales of merchandise averaged \$50,522, making the total average \$87,874. Paid-in capital stock averaged \$17,520, and fixed assets \$14,334, leaving but a small amount available as working capital. The average amount due as accounts receivable was \$3,811.

The following table shows the percentage of expenses to cost of goods sold, the amount of sales for each company, and the net profit or loss for the fiscal year:

Elevator Number	Percentage of Expenses to Cost of Goods Sold	Total Sales	Net Profit or Loss
21	4.1	\$107,034.23	\$4,137.95
16	5.3	47,564.43	61.02 Loss
18	5.4	85,090.84	1,419.77
6	6.09	87,110.36	512.57 Loss
1	6.4	93,047.12	2,435.79 Loss
13	7.2	109,342.40	3,528.48
14	7.3	95,849.14	4,230.54
5	8.07	58,141.73	32.96
8	8.1	85,562.53	2,626.26
11	8.1	108,813.82	6,269.43
2	8.2	81,096.72	1,984.61
4	8.7	75,530.46	2,181.12
9	8.9	48,670.01	1,691.06
3	8.9	53,286.01	66.50 Loss
20	8.9	62,935.43	138.81 Loss
22	9.3	72,258.54	295.45
7	9.5	60,428.73	1,222.16
19	9.7	75,503.72	2,808.64 Loss
12	9.9	49,473.02	1,276.17 Loss
15	10.6	113,849.22	6,595.45
10	10.7	323,804.57	7,171.04
17	16.03	33,792.95	2,511.74

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ILLINOIS BROOMCORN GROWERS PLANNING TO ORGANIZE

At a recent meeting of broomcorn growers of several eastern Illinois counties, a committee of seven was appointed to formulate plans for a permanent marketing association. A temporary organization was formed last year among the growers in order to inform themselves regarding market conditions, acreage, and other factors affecting the marketing of the crop.